



Legislation Text

File #: 19-1079, **Version:** 1

Human Resources Department recommending the Board accept rebate funds from Kaiser and Blue Shield and utilize such funding for the County of El Dorado's new Employee Health and Wellness Program; funds will be only be used for health and wellness activities consistent with employee feedback.

FUNDING: Health Benefit Providers (Kaiser and Blue Shield).

The Medical Loss Ratio rebate provisions of the Affordable Care Act require health insurers to pay rebates to policyholders (employers with 50 or more full-time equivalent employees) if the insurer fails to spend at least 85% of the total premium revenue on medical claims and health care quality improvement activities, such as employee health and wellness initiatives. According to the rebate provisions, the rebate must be used for employee health and wellness programs.

On behalf of the County of El Dorado (County), the Department of Human Resources (HR) requested its allocation of Wellness Funds from the California State Association of Counties (CSAC) Excess Insurance Authority (EIA) on March 26, 2019. On June 7, 2019, the County received a total of \$5,380 (\$4,330.00 from Kaiser and \$1,050.00 from Blue Shield of California). It is anticipated that the County will receive a similar allocation from the carriers in future years and intends to make a request from the County to match these funds in subsequent years to build upon and enhance the Employee Health and Wellness Program.

Implementing a Health and Wellness Program will not yield quantifiable data to show a return on investment. However, best practice data suggests that the County will see benefits through the improvement of employees' health and well-being. Additionally, based on the data, the County can expect to see improved productivity, possible reductions of health care costs, and reduced health risks. This effort also provides another opportunity to show the employees that the County cares about them and their overall well-being.

In continued efforts to elevate the County as an employer of choice, it is important to utilize these funds in a way that would be most beneficial to employees. With that said, HR surveyed all County employees to obtain their feedback on the types of wellness initiatives that would most interest them. Six hundred seventeen (617) employees responded to the survey, which is equivalent to approximately 32% of our workforce. Participants were provided with suggested wellness program initiatives and asked to identify their top five choices. The results are as follows:

- Running/Walking Hiking - 17%
- Yoga/Stretching/Meditation - 15%
- Free Healthy Snacks - 15%
- Weight/Resistance Training - 14%
- Nutrition Education/Cooking Classes - 10%
- Stress/Anxiety Management Classes - 9%

- County-Wide Fitness or Wellness Challenge - 9%
- Group Sports (e.g., basketball, baseball, softball, golf, etc.) - 7%
- Cycling - 6%

HR intends to focus efforts on the top initiatives identified by employees. In considering the level of funding and coordination required HR will use the funding to arrange classes and acquire the incentives and supplies necessary for the top initiatives identified. In an attempt to lower costs, HR will attempt to coordinate with volunteer instructors that were identified through the employee survey. In arranging health and wellness activities, HR will consider the location and timing to ensure activities reach employees across locations and Departments.

HR is seeking the Board's approval to 1) accept the rebate funding and 2) utilize the funding for health and wellness initiatives that are consistent with the feedback provided by County employees.

ALTERNATIVES

The Board could 1) choose to send the rebate money back to CSAC-EIA or 2) direct HR to utilize the funds for different health and wellness initiatives.

PRIOR BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

California State Association of Counties (CSAC) Excess Insurance Authority (EIA), Kaiser, Blue Shield of California, Chief Administrative Office

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board approves this item.

FINANCIAL IMPACT

There is no financial impact to the County at this time as HR would spend only the dollar amount received through CSAC EIA. According to CSAC EIA rebate provisions, the rebate must be used for employee health and wellness programs.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

This effort supports the Good Governance priority to "create and maintain a supportive culture for all employees through staff engagement in policy and process decisions and through strong labor relations."

CONTACT

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