



County of El Dorado

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Legislation Text

File #: 09-0855, Version: 2

Human Resources Department, Risk Management Division, recommending Chairman be authorized to sign Agreement 035-S1011 with Kaiser Foundation Health Plan, Inc. for the term July 1, 2009 through June 30, 2010 to provide group health benefits for County employees and retirees who elect this plan. (Cont'd 8/4/09, Item 15)

BUDGET SUMMARY:		
Total Estimated Cost		\$5,767,260
Funding		
Budgeted	\$ 5,767,260	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$ 5,767,260	
Change To Net County Cost		\$ 0

Fiscal Impact/Change to Net County Cost: The overall 18% increase to rates included in this contract was anticipated and is attributed to an increase in utilization of the group as well as an increase to the total claims cost per member. The increased cost has been included in the overall blended premium rates already approved by the Board. Kaiser premium payments from the Risk Management Fund for current employees and retirees under this contract are estimated to total \$5.76 million by the end of the 08-09 fiscal year and contract period.

Background:

Reason for Recommendation: Kaiser provides expanded provider choice to employees, allowing them to access doctors and medical facilities not available through Blue Shield or PacifiCare. This agreement also provides the only Medicare Advantage (Part C) program, *Senior Advantage*, available to the County's Medicare-enrolled employees and retirees. Kaiser has been selected by approximately 525 County employees and retirees. As with last year, this agreement continues the live or work rule, allowing South County residents and those who live in Pollock Pines and nearby areas to enroll, provided they work in Placerville or to the west.

Action to be taken following Board approval: The Board Chairperson will sign the agreement, and our business relationship with Kaiser Permanente will continue for another 12 month period.

Contact: Donna Mullens, x6060

Concurrences: County Counsel, Risk Management, Purchasing