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County of El Dorado

Legislation Details (With Text)

File #:	13-0453 **Version:** 3		
Type:	Agenda Item	**Status:**	Approved
File created:	6/10/2013	**In control:**	Board of Supervisors
On agenda:	6/18/2013	**Final action:**	6/18/2013
Title:	Chief Administrative Office recommending the Board authorize the Chair to sign a Budget Transfer transferring $509,646 from the Retiree Health Fund to the Health Fund per Board direction on April 23, 2013. (4/5 vote required)		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. 3A - Budget Transfer retiree health.pdf, 2. A - Retiree Letter 4-23-13.pdf, 3. B - PUBLIC COMMENT.pdf, 4. C - Email - County Auditor.pdf		

Date	Ver.	Action By	Action	Result
6/18/2013	3	Board of Supervisors	Approved	Pass
4/23/2013	2	Board of Supervisors	Approved	Pass

Chief Administrative Office recommending the Board authorize the Chair to sign a Budget Transfer transferring $509,646 from the Retiree Health Fund to the Health Fund per Board direction on April 23, 2013. (4/5 vote required)

BUDGET SUMMARY:	
Total Estimated Cost……	$509,646
Budgeted……	
New Funding…….	
Savings……..	
Other……..	$509,646
Total Funding Available……	
Change To Net County Cost……	$0

Fiscal Impact/Change to NCC

The Budget Transfer will decrease the balance of the Retiree Health Fund and increase the balance of the Health Fund by $509,646. This amount will restore the unintentional subsidy paid from the Health Fund.

Background

Risk Management staff identified an issue with the rates established for the Early Retiree Blue Shield Standard plan ($200 deductible) participants. The blended rate that was being paid by retirees was

less than the cost of the Blue Shield plan, after considering the Retiree Health Benefits Contribution Plan contribution. This created an unintended subsidy of the plan in the amount of $509,646 from July 2011 to May 2013.

On 04/23/2013 the Board considered item #37 (File ID 13-0453), options relating to adjusting the rates. The Board approved Option 4 - Correct Rate and Utilize Retiree Health Fund to Reimburse Unintended Subsidy. In approving this option, the Board gave direction to correct the rate and to refund the Health Fund from the Retiree Health Fund.

Reason for Recommendation
The Budget Transfer is needed to approve the budget needed to restore the Health Fund from the Retiree Health Fund, per Board direction.

Action to be taken following Board approval
Chair to sign Budget Transfer

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