



## Legislation Details (With Text)

**File #:** 16-0819 **Version:** 1

**Type:** Agenda Item **Status:** Approved

**File created:** 7/27/2016 **In control:** Board of Supervisors

**On agenda:** 8/16/2016 **Final action:** 8/16/2016

**Title:** Human Resources, Risk Management Division is recommending the Board take the following actions regarding Health Plan Programs and Ancillary Employee Benefit Programs for the 2017 Plan Year:  
1) Approve the proposed 2017 health plan rate cards and master rate sheet based on staff recommendations, the cost sharing of health premiums in the current Memoranda of Understanding with all bargaining units, the Salary and Benefits Resolution for unrepresented employees, the Retiree Health Benefits Contribution Plan and in accordance with the Patient Protection And Affordable Care Act (ACA);  
2) Authorize the Chief Administrative Officer or designee, to execute health and benefit program contracts subject to approval by County Counsel;  
3) Grant Human Resources, Risk Management Division the authority to make de minimus modifications, if necessary, to the approved health plan rate cards for the 2017 health benefits plan year as needed.

**FUNDING:** Risk Management Special Revenue Fund

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. A - Master Rate Sheet 8-16-16, 2. B - Health Plan Contribution Rates 8-16-16, 3. B - Revised Health Plan Contribution Rates 8-16-16 BOS RCVD 8/11/16

Date	Ver.	Action By	Action	Result
8/16/2016	1	Board of Supervisors	Approved	Pass

Human Resources, Risk Management Division is recommending the Board take the following actions regarding Health Plan Programs and Ancillary Employee Benefit Programs for the 2017 Plan Year:  
1) Approve the proposed 2017 health plan rate cards and master rate sheet based on staff recommendations, the cost sharing of health premiums in the current Memoranda of Understanding with all bargaining units, the Salary and Benefits Resolution for unrepresented employees, the Retiree Health Benefits Contribution Plan and in accordance with the Patient Protection And Affordable Care Act (ACA);  
2) Authorize the Chief Administrative Officer or designee, to execute health and benefit program contracts subject to approval by County Counsel;  
3) Grant Human Resources, Risk Management Division the authority to make de minimus modifications, if necessary, to the approved health plan rate cards for the 2017 health benefits plan year as needed.

### **FUNDING: Risk Management Special Revenue Fund**

### **DEPARTMENT RECOMMENDATION**

Risk Management staff recommends the Board of Supervisors approve the program renewal.

### **DISCUSSION / BACKGROUND**

On July 14, 2016 the Health Plan Advisory Committee (HPAC) reviewed the proposed 2017 health rates

and voted unanimously to support the 2017 health rates.

### **Health Insurance**

El Dorado County has participated in the California State Association of Counties-Excess Insurance Authority (EIA) since 2012. As a member of this organization the County has successfully controlled costs of the health plans offered through CSAC EIA on a year-over-year basis since 2012.

As is past practice, the County met with the Health Plan Advisory Committee (HPAC) on two occasions in 2016 to take action on the Committee's request that the County market the program for potential program enhancements and corresponding cost savings. Accordingly, Alliant Insurance Services, Inc., the County's insurance broker, marketed the program and returned the premium indications below. Overall the program renewed on an "as expiring" basis or rate pass; with the exceptions noted below.

### **Health Plans**

Blue Shield PPO 200	Rate Pass
Blue Shield PPO 1300 ABHP	Rate Pass
Blue Shield PPO 2000 ABHP (ACA Plan)	Rate Pass
MHN MH/SA utilization	8.5% increase due to reduced enrollment & increased
Kaiser HMO	3% increase
Kaiser ABHP	3% increase
Kaiser KPSA HMO	3% increase
United Healthcare prescriptions	8.8% increase due to general utilization and

### **Ancillary Benefit Programs**

Delta Dental	Rate Pass
VSP Vision	-13.2% decrease
Lincoln Financial Basis Life	Rate Pass
Lincoln Financial Long Term Disability	7.1% increase
EAP MHN (CSAC EIA)	Rate Pass

On July 14, 2016 the HPAC met and unanimously voted to renew the programs pursuant to the market indications proposed by Alliant Insurance Services, Inc. above. Regarding the UHC Advantage Plan a design change was proposed which could have resulted in a reduced increase of 2.6%, however HPAC voted unanimously to keep the plan design as is for an 8.8% increase.

The Kaiser Plans have been consolidated into the CSAC EIA benefits program pool which will realize savings for the County as risk is spread across pool members.

OE3 Health Trust Rates are received later in the year and will be published based on the health trust premium rates.

### **NEXT STEPS**

1) Risk Management will post and distribute renewal plans and corresponding rates to employees, retirees, COBRA participants, and affiliated agencies prior to open enrollment in October 2016 with an effective date of pay period 24 for active employees and December 1, 2016 for all other participants; and

- 2) Risk Management will secure health insurance carrier and other ancillary benefit program contract renewals; and
- 3) Chief Administrative Officer, or designee, will sign health and other benefit contracts subject to County Counsel's approval.

### **ALTERNATIVES**

The Board of Supervisors has the authority to override the County's and HPAC's recommendation to renew the 2017 Employee Benefits Insurance Program Renewal as recommended.

### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Met with HPAC

### **CAO RECOMMENDATION**

Approve as recommended.

### **FINANCIAL IMPACT**

No change to Net County Cost. The 2016-17 recommended Budget for Risk Management is sufficient to cover the insignificant increases.

### **CLERK OF THE BOARD FOLLOW UP ACTIONS**

None

### **STRATEGIC PLAN COMPONENT**

N/A

### **CONTACT**

Marco Sandoval