



## Legislation Details (With Text)

**File #:** 18-1292      **Version:** 1

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

**File created:** 8/14/2018      **In control:** Board of Supervisors

**On agenda:** 8/28/2018      **Final action:** 8/28/2018

**Title:** Human Resources recommending the Board take the following actions regarding Health Plan Programs and Ancillary Employee Benefit Programs for the 2019 Plan Year:

- 1) Approve the proposed 2019 health plan rate cards (Attachments A and B) based on the cost sharing of health premiums in the current Memoranda of Understanding with all bargaining units, the Salary and Benefits Resolution for unrepresented employees and in accordance with the Patient Protection And Affordable Care Act (ACA);
- 2) Authorize the Director of Human Resources Director, or designee, to execute health and benefit program contract renewals subject to approval by County Counsel; and
- 3) Grant Human Resources the authority to correct any minor clerical errors or adjustments, if necessary, to the approved health plan rate cards for the 2019 health benefits plan year, as needed.

**FUNDING:** Countywide cost, shared between the County Departments (General Fund and Non-General Fund) and employees.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A - 2019 Published Rate Cards 8-28-18, 2. B - 2019 Master Rates 8-28-18, 3. C - Renewal Financial Overview 8-28-18

Date	Ver.	Action By	Action	Result
8/28/2018	1	Board of Supervisors	Approved	Pass

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### DISCUSSION / BACKGROUND

#### Health Plans

The County of 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. The plans are scheduled to renew as follows:

- Blue Shield PPO 200 2.4% increase
- Blue Shield PPO 1350 ABHP 2.4% increase
- Blue Shield PPO 2000 ABHP (ACA Plan) 2.4% increase
- MHN MH/SA 31.8% increase
- Kaiser HMO 4.9% increase
- Kaiser ABHP 4.9% increase
- Kaiser KPSA HMO 2.8% increase
- United Healthcare Advantage PPO 2% decrease

### Flexible Spending Arrangement (FSA) and Health Savings Account (HSA)

- Health Care Reimbursement Account (HCRA) No change
- Dependent Care Reimbursement Account (DCRA) No change
- Health Savings Account (HSA) \$3,500 individual / \$7,000 family
  - Contribution limits are increasing to stay in compliance with IRS regulations

### Ancillary Benefit Programs

- Delta Dental Rate Pass
- VSP Vision 18.4% decrease
- Lincoln Financial Basis Life 1.7% increase
- Lincoln Financial Long Term Disability 0.3% increase
- EAP MHN (CSAC-EIA) 5.0% decrease

The County's broker, Alliant Insurance Services, Inc., recommended a funding contribution decrease for the County's self-insured dental plan in the amount of .04%. The annual funding contribution is used to maintain sufficient funds in the self-insured plan, and funds are used to pay submitted claims. The annual funding contribution serves as the basis for determining monthly "premium" rates. Alliant has indicated that the recommended contribution decrease is based on an anticipated reduction in submitted claims. Human Resources is recommending that dental funding rates stay at their current amounts until it can be determined that the reduction in claims is an ongoing trend.

Employees in the Operating Engineers, Local 3 (OE3) bargaining units (currently Corrections and Trades & Crafts) are eligible to purchase health plans through the OE3 Health Trust rather than through the County. The rates are different from the County-sponsored health plans. Human Resources has not yet received the rates from OE3 Health Trust and will have to return at a later date for Board approval.

Upon Board approval, the next steps will consist of the following:

1. Human Resources will post and distribute renewal plans and corresponding rates to employees, retirees, COBRA participants, and affiliated agencies prior to open enrollment in October 2018 with an effective date of pay period 25 for active employees and December 1, 2018 for all other participants; and
2. Human Resources will return to the Board of Supervisors with the 2019 OE3 Health Trust benefits plan rates once received; and

3. Human Resources will secure health insurance carrier and other ancillary benefit program contract renewals; and
4. The Human Resources Director, or designee, will sign health and other benefit contracts subject to County Counsel's approval.

### **ALTERNATIVES**

The Board of Supervisors could choose to override the recommendation to renew the 2019 Employee Benefits Insurance Program Renewal as recommended, however, if the Board chooses to not approve the item, the County would not meet the deadlines required by the vendors for the plan year.

### **OTHER BOARD ACTION**

Each year, Human Resources brings this item to the Board for approval. The Legistar number for last year is #17-0909.

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

County Counsel

### **CAO RECOMMENDATION**

It is recommended that the Board approve this item.

### **FINANCIAL IMPACT**

The total percentage change from previous year rates is 3.2%. This amounts to an increase of approximately \$976,000 for all listed benefit programs. Costs are shared between employees and salary and benefits budgets for each County department. Details of these cost changes are noted in Attachment C.

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

None

### **STRATEGIC PLAN COMPONENT**

Good Governance

### **CONTACT**

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