



County of El Dorado

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Legislation Details (With Text)

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Title: Human Resources Department recommending the Board take the following actions regarding Health Plan Programs for the 2024 Plan Year:

- 1) Approve the proposed 2024 retiree, Affordable Care Act compliant plan, and Operating Engineers, Local 3 Health Trust health plan rate cards (Attachment A) based on the cost sharing of health premiums in the current Memoranda of Understanding with all bargaining units, and the Salary and Benefits Resolution for unrepresented employees; and
- 2) Grant Human Resources the authority to correct any minor clerical errors or adjustments, if necessary, to the approved health plan rate cards for the 2024 health benefits plan year, as needed.

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

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - 2024 Published Rate Cards 9-12-2023, 2. B - 2024 Master Rates 9-12-2023, 3. C - 2024 Renewal Financial Summary 9-12-2023, 4. D - OE3 2024 Master rates 9-12-2023

Date	Ver.	Action By	Action	Result
9/12/2023	1	Board of Supervisors	Approved	Pass

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DISCUSSION / BACKGROUND

Health Plans

On August 29, 2023, the Board of Supervisors adopted the 2024 health plan rate cards for active employees, outside agencies whose benefits are administered through the County, and COBRA continuation of coverage plans (Legistar #23-1481).

Medicare Retirees who are sixty-five (65) or older are eligible to purchase Medicare advantage supplement health plans through UnitedHealthcare (UHC) and Kaiser Permanente Senior Advantage (KPSA); the rates for the KPSA and UHC plans were not yet available to be presented to the Board on that date.

Further, the IRS had not yet announced the Affordable Care Act (ACA) affordability limit. The ACA affordability limit is the maximum amount that an employee can be required to pay for their share of the premium for employee-only coverage in an employer-sponsored health plan. Because the Blue Shield PPO 2000 ABHP High plan is the County's ACA compliant plan, the employee/employer share of premium rates for that plan cannot be established until after the IRS announces the ACA affordability limit.

As the KPSA and UHC premium rates have since been released, and the IRS announced the 2024 ACA affordability limit, Human Resources is returning to the Board for the adoption of the 2024 Retiree and ACA compliant plan rate cards.

As a summary from the August 29, 2023, Board item, for the 2024 plan year, health and retiree-relevant ancillary benefit programs are scheduled to renew as follows:

Blue Shield PPO 200 Standard	12.2% increase
Blue Shield PPO 1600* ABHP Low	12.2% increase
Blue Shield PPO 2000 ABHP High (ACA Compliant Plan)	12.2% increase
Kaiser HMO Standard	12.2% increase
Kaiser 1600* ABHP	12.2% increase
Delta Dental	4.6% decrease
VSP Vision	1.3% decrease
EAP Concern PRISM	No change

For the 2024 plan year, the following retiree Medicare advantage supplement plans are scheduled to renew as follows:

KPSA	14.23% increase
UnitedHealthcare	4.0% increase

OE3 Health Trust Rate Card

The Operating Engineers, Local 3 (OE3) labor organization offers two health plans (Anthem Blue Cross "Plan A" and Kaiser "Plan B") to their members in our Trades and Crafts (TC) and Corrections (CR) bargaining units, in addition to what is offered by the County. The County contributes to those plans equal to what is contributed to the comparable County-sponsored health plans.

On August 29, 2023, the Human Resources Department brought forth to the Board the 2024 health plan rates, with the notation that the Human Resources Department would return to the Board once the OE3 Health Trust health rates were available for Board consideration.

The OE3 Health Trust has provided the County with their plan rates; the County then applied the County contribution per the applicable Memoranda of Understanding (MOUs) to create the published rate cards for employees.

While the County does not have any responsibility for the OE3 Health Trust health plan or programs, the County does have a responsibility to the Employer and Employee contribution for the applicable OE3 Health Trust plans based on the MOUs with the OE3 represented bargaining units.

The Human Resources Department is requesting the Board review and approve the attached 2024 OE3 Health Trust health rate card for the two plans available to our employees.

ALTERNATIVES

Regarding the 2024 retiree and ACA compliant plan rate cards, the Board could choose to override the recommendation to renew the 2024 Employee Benefits Insurance Program Renewal as recommended; however, if the Board chooses to not approve the recommendations as listed herein, the County would not meet the deadlines required by the vendors for the plan year.

Regarding the 2024 OE3 rate card, because the County both offers the two OE3 Trust health plans and makes County Contributions pursuant to the terms of the negotiated MOUs with OE3 represented bargaining units, there is no recommended alternative.

PRIOR BOARD ACTION

Each year, Human Resources brings this item to the Board for approval. The Board adopted 2024 rate cards for active employees, outside agencies, and COBRA continuation of coverage on August 29, 2023 (Legistar 23-1481).

The Board authorized the County to pay BCC for any Third Party Administrator services received under the Master Agreement between PRISM and BCC, on July 21, 2020 (Legistar 20-0949).

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

FINANCIAL IMPACT

The total percentage change from the 2023 rates, inclusive of active County employee and retiree plans, is 10.8%. The overall increase in annual premium from last year is approximately \$3,694,827 for all listed benefit programs. Costs are shared between retirees/employees and salary and benefits budgets for each County department. It is anticipated that most departments can cover the six months of increased costs with Salaries and Benefits savings from vacancies. Departments will assess these costs with the mid-year budget report and request a budget transfer to address any increases that cannot be covered with savings.

CLERK OF THE BOARD FOLLOW UP ACTIONS

None

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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