



Legislation Text

File #: 15-0697, **Version:** 1

Human Resources, Risk Management Division, recommending the Board consider the following:

- 1) Approve a revision to the 2015 approved retiree health plan contributions rate card for the Kaiser Senior Advantage (KSA) one in Medicare one out of Medicare (1in1out) premium tier beginning in July 2015;
- 2) Approve a refund of the 2015 KSA health premium overpayments to enrollees within the one in Medicare one out of Medicare (1in1out) premium tier effective July 2015, via a one-time credit on the July 2015 KSA billing statement; and
- 3) Approve a revision to the 2015 approved retiree health plan contributions rate card for the Vision Services Plan rate for retirees enrolled in the 2 in A&B Medicare plan tier.

FUNDING: Internal Service, Retiree Health Fund.

DEPARTMENT RECOMMENDATION

El Dorado County, Risk Management Division recommends:

- 1) Board approve a revision to the calendar year 2015 retiree health contributions rate card for the Kaiser Senior Advantage (1in1out) premium plan tier to be effective July 2015 in order to accurately display the correct plan rate currently being billed by Kaiser.
- 2) Board approve a refund of the 2015 calendar year health premium overpayments to enrollees within the KSA (1in1out) premium tier via a one-time credit on the July 2015 Kaiser billing and further estimated herein.
- 3) Board approve a revision to the 2015 retiree rate card for Vision Services Plan (VSP) for retirees enrolled in the 2 in A&B Medicare plan tier.

DISCUSSION / BACKGROUND

On September 30th, 2014 the Board adopted the proposed retiree health plan contributions rate card for calendar year 2015 including the KSA (1in1out) of Medicare plan rate. In April 2015, Risk Management Division was made aware of a premium rate discrepancy between the Kaiser billing rate of \$1017.83 and the County's adopted rate of \$1024.02 for enrollees in the KSA (1in1out) of Medicare tier. The Kaiser billing rate is the correct rate. This rate discrepancy is due to the originally proposed and adopted rate which contained a cost for a Kaiser vision related benefit for one out enrollees that was later carved-out and incorporated into the County's vision services plan after the proposed rates were adopted. This discrepancy resulted in an overcharge to enrollees within the KSA (1in1out) of Medicare tiered plan at an amount of \$6.19 per month per enrollee and is estimated as follows:

- 1 Retiree for 1 month = \$6.19
- 1 Retiree for 2 months = \$12.38
- 1 Retiree for 3 months = \$18.57
- 1 Retiree for 5 months = \$30.95
- 2 Retirees for 4 months = \$49.52 or \$24.76 per retiree
- 10 Retirees for 7 months = \$433.33 or \$43.33 per retiree

Total Estimated Credit Amount = \$588.08

The refund for enrollees, in the form of a premium billing credit, will be performed July 2015 to reflect the corrected premium rate amount on the Kaiser billing statement.

On September 30th, 2014 the Board adopted the proposed retiree health plan rate card for calendar year 2015 Vision Services Plan (VSP). Afterwards, Risk Management discovered that the VSP rate for retirees in the 2 in Medicare A&B health plans was incorrectly published at the \$17.00 family rate rather than the \$10.56 retiree plus 1 rate. Staff was directed in December of 2014 to bill the retirees the correct rate of \$10.56 with the intention of returning to the Board to correct the published rate card at a later date. Because the correct rate has been charged, no refund is due, only a revision to the rate card to accurately reflect the proper rate.

ALTERNATIVES

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION

[This section is completed by the CAO's Office. This section is required]

FINANCIAL IMPACT

No Change to Net County Cost

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

N/A

CONTACT

Jason Hunter, Risk Manager