



Legislation Text

File #: 16-0713, **Version:** 1

Human Resources Department recommending the Board consider the following:

- 1) Approve revised 2016 Health Plan Rates effective the pay period beginning July 23, 2016;
- 2) Approve and authorize the Chair to sign a Side Letter of Agreement with El Dorado County Employees' Association, Local 1 (representing General, Professional and Supervisory Employees) that clarifies the cost components of the health plan rates; and
- 3) Direct Human Resources to administer and implement the provisions of the Side Letter of Agreement.

FUNDING: Risk Management Internal Service Fund-General Liability.

DEPARTMENT RECOMMENDATION

- 1) Approve revised 2016 Health Plan Rates effective the pay period beginning July 23, 2016; and
- 2) Approve and authorize the Chair to sign a Side Letter of Agreement with El Dorado County Employees' Association, Local 1 (representing General, Professional and Supervisory Employees) that clarifies the cost components of the health plan rates; and
- 3) Direct Human Resources to administer and implement the provisions of the Side Letter of Agreement.

DISCUSSION / BACKGROUND

County health benefit rates include health plan premium costs as well as an "EDC Administration Fee" for the costs incurred by the County to administer the health benefits program. The County and the employee each pay a share of these costs as specified in the individual MOUs. In 2014 when the rates were being developed for the 2015 calendar year, a portion of the EDC Administration Fee component was undercharged in the approved health plan rates resulting in an unbilled cost of approximately \$70,000. In order to rectify this, the \$70,000 cost was included in the subsequent year's EDC Administration Fee, which should have been negotiated. Human Resources, Risk Management Division has developed revised health plan rates for the remainder of 2016 to correct for this.

El Dorado County Employees' Association, Local 1 (representing General, Professional and Supervisory Employees) has requested a Side Letter of Agreement to clarify the cost components that are included in the EDC Administration Fee portion of the health plan rates. This proposed side letter identifies the components consistent with the County's past practice.

ALTERNATIVES

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel; Auditor-Controller

CAO RECOMMENDATION

The Chief Administrative Office concurs with the recommendation.

FINANCIAL IMPACT

The \$70,000 will be recovered in the Health Fund through charges to departments as a cost applied charge in FY 16/17.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Clerk of the Board to obtain Chair's signature on the side letter and return one fully executed original side letter to Human Resources.

STRATEGIC PLAN COMPONENT

N/A

CONTACT

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