



**Contra  
Costa  
County**

To: Board of Supervisors  
From: David Twa, County Administrator  
Date: July 12, 2016

Subject: Resolution No. 2016/447 - Physicians' and Dentists' Organization of Contra Costa (PDOCC) Side Letter Health Plan

**RECOMMENDATION(S):**

ADOPT Resolution No. 2016/447 approving the Side Letter between Contra Costa County and the Physicians' and Dentists' Organization of Contra Costa regarding health plan coverage.

**FISCAL IMPACT:**

The cost of the agreement will depend upon employee migration during the 2017 open enrollment period and future medical inflation rate increases. The agreement includes a sharing of medical inflation for the 2017 plan year and beyond. Because CCHP rates are expected to increase significantly in 2017 and over sixty-six percent of PDOCC members are currently enrolled in CCHP plans, it is expected that members will migrate towards less expensive health plans with lower employees cost shares.

**BACKGROUND:**

The County and the Physicians' and Dentists' Organization (PDOCC) of Contra Costa agree to modify Section 12 of the Memorandum of Understanding (MOU) between Contra Costa County and PDOCC. In summary the modifications include:

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

Action of Board On: **07/12/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: Candace Andersen, District II Supervisor  
Mary N. Piepho, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

ABSENT: John Gioia, District I Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: July 12, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Lisa Driscoll, County Finance Director (925) 335-1023

By: June McHuen, Deputy

- Providing employees access to more affordable health plans for the 2017 plan year,
- Cost sharing in 2017 and beyond (50/50 share of medical plan increases) for active employees;

## BACKGROUND: (CONT'D)

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- Three tiered Employee, Employee +1 Dependent, Employee +2 or More Dependent plan structure;
- Mechanism to address medical plans that meet the criteria for a high cost employer-sponsored health plan that may be subject to an excise penalty (a.k.a. Cadillac Tax) under the federal Patient Protection and Affordable Care Act (“ACA”) (42 U.S.C. § 18081);
- Access to County health plans, for employees who are not otherwise eligible for health coverage by the County, who meet eligibility requirements to receive an offer of coverage from the County under the federal Patient Protection and Affordable Care Act (“ACA”) (42 U.S.C. § 18081) at employee expense; and
- Participation in the Joint Labor/Management Benefit Committee to 1) select a replacement medical or dental plan in the event that a plan is no longer available; 2) design a wellness program; 3) discuss future medical, dental, or vision plan design; or 4) assess the future impact of any excise tax pursuant to the federal Patient Protection and Affordable Care Act (“ACA”) (42 U.S.C. § 18081) on any high cost medical plans offered by the County.

Except as specifically amended or excluded by the Side Letter, all other terms and conditions of the MOU between Contra Costa County and PDOCC (October 1, 2008 – October 31, 2016) remain unchanged.

## CONSEQUENCE OF NEGATIVE ACTION:

PDOCC members will not have access to lower cost health plans and will remain in a two-tier system.

## ATTACHMENTS

Resolution No. 2016/447

PDOCC Side Letter dated 6/28/16