



Contra
Costa
County

To: Board of Supervisors
From: Dianne Dinsmore, Human Resources Director
Date: August 1, 2017
Subject: 2018 Renewals for NonPERS Health Plans

RECOMMENDATION(S):

AUTHORIZE the County Administrator or designee to execute contract renewals with the NonPERS Health/Medical Plans, Dental Plan, Vision Insurance, Life Insurance Plan carriers and the Computer Vision Care Program for the period January 1, 2018 - December 31, 2018.

FISCAL IMPACT:

Premiums for active, retired and survivor enrollees are funded by a combination of charges to County Departments and Special Districts, and employee/retiree/survivor contributions. The fiscal impact is based on projections of 2018 using 2017 census data with no adjustment for future migration between plans.

The 2018 projected total premium cost for active employees is approximately \$103.9 million. The cost to the County is \$80.6 million of that total. The 2018 increased premium cost is \$6.6 million, of which \$3.6 million is the increased County subsidy.

There were no increases to the Delta Care HMO plan, or the VSP Voluntary Vision and Computer Vision Care plans. Delta Dental PPO ASO fees increased from \$4.85 to \$5.03 per

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **08/01/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V 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: August 1, 2017

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

By: June McHuen, Deputy

Contact: Ann ElliotT (925)
335-1747

member per month. This will not result in an increase to the Delta Dental PPO premium equivalency.

FISCAL IMPACT: (CONT'D)

Voya Basic Life/AD & D Insurance decreased from \$0.125/\$1,000 to \$0.080/\$1,000. There were no changes to the supplemental life insurance rates.

BACKGROUND:

Insurance coverage is an important benefit and a valuable recruitment and retention tool. To ensure that high quality insurance is available for eligible Contra Costa County employees and retirees, the County contracts for group health, dental and life insurance, voluntary vision insurance, as well as computer vision care coverage, on an annual basis with a number of carriers/providers. The County's existing insurance and coverage contracts are for the calendar year and expire December 31, 2017. In order to ensure uninterrupted coverage for enrolled members (eligible active employees, retired employees and survivors of retired employees) staff requests authorization from the Board of Supervisors to renew existing insurance coverage at the rates provided on the attached chart. This information indicates the different premium structures - either a Two Tier or Three Tier - based on what has been negotiated with various bargaining groups.

To assist the County in negotiating the best possible health care terms for our active and retired employees, the County contracts with Buck Consultants, who has expertise in employee benefit plan design and rate structure.

The increases seen in the renewal rates from Kaiser and Health Net are impacted by the return of the Health Insurance Tax, a requirement under the Affordable Care Act, which was waived for 2017, but reinstated for 2018. All health/medical insurance contracts continue to offer essential health/medical benefits and coverage compliant with the requirements of the Affordable Care Act (ACA). Proposed rates for the 2018 plan year for the medical, dental, life insurance or computer vision care coverage offered to eligible employees, retirees or survivors of employees are attached and are effective January 1, 2018.

In summary for 2018, there is no increase to supplemental life insurance or the dental plan premiums, VSP Voluntary Vision and CVC plan; and a \$0.064% decrease to basic life insurance.

Additionally, the County is now offering an employee paid Commuter Benefit Program that allows employees to set aside pre-tax dollars to help pay for public transportation expenses such as bus, train and ferry fees as well as work related parking expenses.

CONSEQUENCE OF NEGATIVE ACTION:

In order to prevent the disruption of services for group benefits that are offered to eligible employees and their dependents, it is necessary to execute contract renewals prior to open enrollment which is planned for October 2017 for the 2018 plan year.

ATTACHMENTS

2018 nonPERS renewal rates