



Contra
Costa
County

To: Board of Supervisors
From: Dianne Dinsmore, Human Resources Director
Date: September 8, 2020

Subject: 2021 Renewals for NonPERS Health Plans

RECOMMENDATION(S):

AUTHORIZE the County Administrator, or Designee, to execute contract renewals with the NonPERS Medical, Dental, Vision, Computer Vision Care Program and Life Insurance Plan carriers for the period of January 1, 2021 - December 31, 2021.

FISCAL IMPACT:

Premiums for active, retired and survivor enrollees are funded by a combination of charges to County Departments, Special Districts, and employee/retiree/survivor contributions. The fiscal impact is based on projections of 2021 using 2020 census data with no adjustment for future migration between plans. The 2021 projected total premium cost for active employees is approximately \$100.5 million; 2020 is expected to reach \$95.7 million by year end. The currently negotiated cost to the County is \$85.6 million of that total (\$80.7 million in 2020).

Premiums for existing Health Net HMO plans will *decrease* -1.27%. The Health Net PPO Plan premiums will increase by 10.24%, Kaiser Plans will increase by 3.40%, and CCHP Plans will increase by 9.77%. There will be a *decrease* to the Delta Care HMO plan rates of -12.78%, the Computer Vision Care plan rates of -1.14% and the Voluntary Vision Plan by

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **09/08/2020** ☒ 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: September 8, 2020

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

By: June McHuen, Deputy

Contact: (925) 655-2176

cc:

-0.99%. There is also a

FISCAL IMPACT: (CONT'D)

decrease to the Voya Basic Life/AD&D plan of -7.50% and an overall *decrease* -10.00% (depending on age band) for Supplemental Life Insurance plans. The Delta Dental PPO Plan premium equivalency will not increase.

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 medical, dental, 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, 2020.

To assist the County in negotiating the best possible health care terms for our active and retired employees, the County contracts with a consultant, who has expertise in public sector employee benefit plan design and rate structure. All medical insurance contracts continue to offer essential medical benefits and coverage compliant with the requirements of the Affordable Care Act (ACA).

Beginning January 1, 2021, the County subsidy, for the majority of employees eligible for NonPERS medical plans, will be an amount up to 78.5% of the second lowest priced non-deductible HMO plan for all tiers (Employee, Employee +1 and Employee +2 or more). Based on the 2021 proposed rates, Health Net Smart Care HMO B will be used for subsidy calculations.

<u>Coverage Type</u>	<u>Health Net</u>		<u>County Subsidy</u>
	<u>SmartCare HMO</u>	<u>%</u>	
	<u>B Premium</u>		
Employee Only	\$930.98	78.5%	\$730.82
Employee +1	\$1,861.96	78.5%	\$1,461.64
Employee +2/More	\$2,792.94	78.5%	\$2,192.46

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 in the Attachment. The chart reflects the different premium structures - either Two Tier or Three Tier - based on what has been negotiated with various bargaining groups. Rate sheets, by bargaining group for actives and retirees, for the 2021 plan year reflecting County subsidies and employee/retiree costs will be available In October, prior to the Open Enrollment period. These sheets will be posted on the Employee Benefits website.

For 2021, we will be implementing a new PPO Network for our Delta Dental PPO plan which will provide our employees with access to additional Dentists and savings on dental procedures. The Delta Dental PPO Premium equivalency will not increase. The premiums for the Health Net HMO plans, Delta Care HMO plan, VSP Computer Vision

Care (CVC) Plan, Voluntary Vision Plan and the Supplemental & Basic Life insurance plans will decrease. In addition, there is an increase to the Guaranteed Issue amount for Supplemental Life Insurance. Employees will be able to purchase or increase coverage up to \$150,000 without Evidence of Insurability (EOI) during open enrollment.

CONSEQUENCE OF NEGATIVE ACTION:

In order to prevent the disruption of services for group benefits that are offered to eligible active employees, retirees, survivors and dependents, it is necessary to execute contract renewals prior to open enrollment which is planned for October 2020 for the 2021 plan year.

ATTACHMENTS

Plan Year 2021 Open Enrollment Rate Summary