



**Contra  
Costa  
County**

To: Board of Supervisors  
From: Ann Elliott, Human Resources Director  
Date: September 13, 2022

Subject: 2023 Renewals for NonPERS Health and Welfare Plans

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**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, 2023 - December 31, 2023

**FISCAL IMPACT:**

The premiums for existing Kaiser plans, DeltaCare HMO, Delta Dental PPO, Computer Vision Care, Voluntary Vision plan and the VOYA Life Insurance plans will not increase for the 2023 plan year. The CCHP plan premiums will increase by 6.86%, the Health Net HMO Plan by 8.17% and Health Net PPO plan by 7.20%.

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 2023 using 2022 census data with no adjustment for future migration between plans. The 2023 projected total premium cost for active employees is approximately \$106.5 million; 2022 is expected to reach \$102.3 million by the end of the plan year. The currently negotiated cost to the County is \$96 million of that total (\$90 million in 2022).

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **09/13/2022** ☒ 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 13, 2022

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Salma Sadiq,  
925-655-2176

cc:



## 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, 2022.

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, 2023, the County subsidy, for the majority of employees eligible for NonPERS medical plans, will be 80% of the second lowest priced non-deductible HMO plan for all tiers (Employee, Employee +1 and Employee +2 or more). Based on the 2023 proposed rates, Health Net SmartCare 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	\$1,073.91	80%	\$859.13
Employee +1	\$2,147.82	80%	\$1,718.26
Employee +2/More	\$3,221.73	80%	\$2,577.39

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 Attachment 1. 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 2023 plan year reflecting County subsidies and employee/retiree costs will be available in October, prior to the Open Enrollment period. These rate sheets will be posted on the Employee Benefits website and a sample draft is provided in Attachment 2.

Through dedicated persistence and collaboration with the County's consultant and the Joint Labor Management Benefits Committee (JLMBC), the County continues to provide competitive rates for our benefits plans. The Kaiser, DeltaCare HMO, Delta PPO, VSP Computer Vision Care (CVC), Voluntary Vision and the Voya Supplemental & Basic Life Insurance plans will not increase in 2023. With the renewals and County subsidy for 2023, approximately 72% of our employees enrolled in NonPERS medical plans will see the same or reduced rate in their monthly medical plan contributions and 100% of employees enrolled in the Dental and Vision plans will have the same costs. As a result

of negotiated terms adopted on August 16, 2022, some Unions will also see an increased benefit to the Dental PPO plan diagnostic and preventive coverage.

The County is proud of the collaboration and results achieved by our staff, consultants and the Joint Labor Management Benefits Committee (JLMBC).

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 17, 2022 – November 4, 2022 for the 2023 plan year.

CLERK'S ADDENDUM

Speakers: No name given;

ATTACHMENTS

Attachment 1 2023 NonPERS Rates

Attachment 2 2023 Sample Rate Sheet