



Agenda Date: 10/18/2005
Agenda Placement: 6G

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Caryn Fagundes for Mark Gregersen - Acting Director
Human Resources
REPORT BY: Caryn Fagundes, Benefits Administrator, 253-4488
SUBJECT: CalPERS and County Kaiser Health Care Insurance Premiums

RECOMMENDATION

Acting Human Resources Director requests the following actions regarding health care insurance plans:

1. Adoption of a resolution revising total rates for CalPERS and County Kaiser health care insurance plans, effective January 1, 2006; and
2. Approval of and authorization for the Acting Human Resources Director to sign the revised County Kaiser health care insurance service agreements.

EXECUTIVE SUMMARY

The County of Napa contracts with Kaiser and CalPERS to provide a number of health care insurance plans as part of the County's employee benefits package. Effective January 1, 2006, premiums for the County Kaiser will increase approximately 15% and CalPERS health care insurance plans will increase approximately 9%. The increased premiums for these plans reflect rising statewide and national health care costs. Approval of the recommended action will implement increases in the County's health care insurance premiums beginning January 1, 2006.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Departmental budgets
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The County of Napa contracts with Kaiser and CalPERS to provide a number

of health care insurance plans as part of the County's employee benefits package. The increased premiums for the County Kaiser and CalPERS plans reflect rising statewide and national health care costs.

Is the general fund affected?	Yes
Future fiscal impact:	Health care insurance premiums (and anticipated premium increases) are estimated during the normal budget preparation process, and will be budgeted accordingly in future fiscal years.
Consequences if not approved:	If the recommended action were not approved, the County would be unable to provide health care insurance benefits beyond January 1, 2006.
Additional Information:	None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County provides employees and eligible retirees a choice of three Health Maintenance Organization (HMO) and two Preferred Provider Organization (PPO) health care plans. Currently, the County offers the County Kaiser HMO plan and four CalPERS plans. Effective January 1, 2006, premiums for the County Kaiser HMO will increase approximately 15% and the CalPERS health care plans will increase approximately 9%. Health care insurance premiums for 2006 are noted below as a percentage and a dollar increase from the premiums for 2005:

1. County Kaiser HMO + 15% The 2005 annual premium was approximately \$3,858,943. In 2006 the annual premium will be approximately \$4,432,199
2. CalPERS Kaiser HMO + 9.78% The 2005 annual premium was approximately \$2,989,603. In 2006 the annual premium will be approximately \$3,281,986
3. CalPERS Blueshield HMO + 9.11% The 2005 annual premium was approximately \$2,313,983. In 2006 the annual premium will be approximately \$2,524,786
4. CalPERS Choice PPO +9.42% The 2005 annual premium was approximately \$378,908. In 2006 the annual premium will be approximately \$414,601
5. CalPERS Care PPO + 9.76% The 2005 annual premium was approximately \$7,439. In 2006 the annual premium will be approximately \$8,165

Please refer to Exhibit "A" in the attached Resolution for new total health care insurance premiums effective January 1, 2006.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Andrew Carey