



Agenda Date: 10/9/2007
Agenda Placement: 6I

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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

RECOMMENDATION

Human Resources Director requests adoption of a resolution amending Resolution No. 07-220 adopted September 18, 2007 to incorporate a revised Exhibit "A" outlining CalPERS 2008 total rates for health plans for all County employees to include, Public Service Employee Units - Supervisory and Non-Supervisory, Deputy Sheriff Association Employee Units - Supervisory and Non-Supervisory, management and confidential employees effective January 1, 2008.

EXECUTIVE SUMMARY

The County provides employees and eligible retirees a number of health care insurance plans as part of the County employee benefits package. Resolution 07-220 was approved on September 18, 2007 approving CalPERS total monthly rates for Public Service Employee Units - Supervisory and Non-Supervisory, management and confidential employees. Staff identified some inaccuracies in those rates. Specifically, the employee contributions for the employee plus one (EE+1) and employee plus family (EE+Family) were incorrect. Today's recommended action will amend the employee contribution rates as well as implement the same contribution rates for Deputy Sheriff Association Employee Units - Supervisory and Non-Supervisory effective January 1, 2008.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Departmental budgets

The FY 2007-08 budget assumptions cover the cost of this increase.

Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The County of Napa contracts with CalPERS to provide a number of health care insurance plans as part of the County's employee benefits package. The increased premiums for the CalPERS plans reflect rising statewide and national health care costs. County costs will increase by approximately \$1 million per year as a result of the premium increases.
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 actions were not approved, the County would not have any health plan options or agreements regarding the employee/employer premium cost sharing beyond December 31, 2007.
Additional Information:	

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 of Napa contracts with CalPERS to provide a number of health care insurance plans as part of the County's employee benefits package. Each year CalPERS provides the County with updated premiums which reflect rising statewide and national healthcare costs. Resolution 07-220 was approved on September 18, 2007 approving CalPERS total monthly rates for Public Service Employee Units - Supervisory and Non-Supervisory, management and confidential employees. Staff identified some inaccuracies in those rates.

Specifically, the employee contributions for the employee plus one (EE+1) and employee plus family (EE+Family) were incorrect. Today's recommended action will amend the employee contribution rates as well as implement the same contribution rates for Deputy Sheriff Association Employee Units - Supervisory and Non-Supervisory effective January 1, 2008.

Employees may choose from two Health Maintenance Organization (HMO) and three Preferred Provider Organization (PPO) health care plans. Health care insurance premiums for 2008 are noted below as a percentage and a dollar increase from the premiums for 2007:

1. Kaiser HMO + 9.16% The 2007 annual premium was approximately \$7,819,454. In 2008 the annual premium will be approximately \$8,535,715.
2. Blue Shield HMO + 10.06% The 2007 annual premium was approximately \$2,793,902. In 2008 the annual premium will be approximately \$3,074,968.
3. Choice PPO + 6% The 2007 annual premium was approximately \$499,520. In 2008 the annual premium will be approximately \$529,491.

4. Care PPO -2.56% The 2007 annual premium was approximately \$27,702. In 2008 the annual premium will be approximately \$26,992.
5. Select PPO: Effective January 1, 2008, CalPERS will begin to offer this plan to Napa County employees. The plan design is the same as the Choice PPO plan but with a smaller provider network.
6. Peace Officers Research Association of California (PORAC) +3% The 2007 annual premium was approximately \$12,540. In 2008 the annual premium will be approximately \$12,916.

Please refer to Exhibit "A" in the attached Resolution for new total health care insurance premiums by health plan, coverage level and total premium. The Exhibit also shows the cost sharing of the monthly premium between the employee and the County.

SUPPORTING DOCUMENTS

- A . Resolution
- B . Exhibit "B" to reso
- C . Exhibit "C" to reso

CEO Recommendation: Approve
Reviewed By: Karen Gratton